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October 29, 2002

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Re: **WC Docket No. 02-317; Verizon Telephone Companies Tariff FCC  
Nos. 1, 11, 14, and 16**

Dear Ms. Dortch:

Pursuant to the Commission's rules related to the Freedom of Information Act, 47 C.F.R. §§ 0.457 and 0.459, the Verizon telephone companies ("Verizon") hereby request confidential treatment of the data marked "proprietary" in the attached Direct Case of Verizon and accompanying exhibits. This data is comprised of customer proprietary network information ("CPNI") under Section 222 of the Communications Act of 1934, as amended, and confidential business information, the disclosure of which could substantially harm Verizon's competitive position. Verizon is submitting a public, redacted version of its comments together with a nonpublic, unredacted version filed under seal subject to this request.

**(1) Identification of the specific information for which confidential treatment is sought.**

Verizon requests that the attached information marked as "proprietary" be treated as confidential information under Exemption 4 of the Freedom of Information Act. The documents for which confidential treatment is being requested contain sensitive

information concerning individual and aggregate customer billing, uncollectibles, as well as bankruptcy data and company specific business procedures and processes.

**(2) Identification of the Commission proceeding in which the information was submitted or a description of the circumstance giving rise to the submission.**

This information is being submitted by Verizon in support of its Direct Case filed this day in the above-referenced proceeding. Verizon is using this information to support its response to the Bureau's request for information concerning issues relating to Verizon's proposed provisions for security deposits and advance payments contained in tariff Transmittal No. 226 to ensure that the proposed tariff provisions are not unjust, unreasonable, or unreasonably discriminatory in violations of sections 201 and 202 of the Act.

**(3) Explanation of the degree to which the information is commercial or financial, or contains a trade secret or is privileged.**

The information describes sensitive information concerning Verizon's billing and collection practices, which is kept confidential within the company and is not normally released due to concerns that it could harm Verizon's competitive position. It also contains carrier-specific and customer class-specific default, uncollectibles and bankruptcy information which constitutes CPNI. The Act treats CPNI as presumptively confidential, as it cannot be disclosed by a carrier that receives it in the course of providing telecommunications services except as permitted by the Commission's regulations or as approved by the customer. *See* 47 U.S.C. § 222(c)(1); 47 C.F.R. §§ 64.2001 et. seq.

**(4) Explanation of the degree to which the information concerns a service that is subject to competition.**

The revenue, uncollectible revenue and detailed information regarding customer default amounts included in this filing relate to the provision of special access, dedicated transport and other access services that are highly competitive. The Commission has already determined that these special access and dedicated services provided by Verizon are sufficiently competitive to be granted pricing flexibility under the FCC's Part 69 rules. Further, detailed information about the amounts of receivable revenues and default amounts are for end users and carriers that purchase substantial amounts of these competitive special access services. General availability of this information, either in aggregate or in detail, would adversely affect Verizon's competitive position in providing these services.

**(5) Explanation of how disclosure of the information could result in substantial competitive harm.**

If this information were made public, it would give competitors insight into the billing practices and business processes of Verizon. This information is kept confidential within the company, and is not normally released due to concerns that it could harm Verizon's competitive position. In addition, disclosure of CPNI harms customers' privacy.

**(6) Identification of any measures taken by the submitting party to prevent unauthorized disclosure, and**

**(7) Identification of whether the information is available to the public and the extent of any previous disclosure of the information to third parties.**

Customer-specific information is kept confidential within Verizon unless permitted to be disclosed pursuant to the Commission's CPNI rules. This information is restricted within the company as required by those rules and section 222(b) of the Act. Company practices instruct employees not to disclose this information unless permitted to do so by applicable regulatory rules. When such information is disclosed in regulatory proceedings voluntarily or by order of the commission, it is accompanied by requests for confidential treatment. Financial and billing data is kept confidential within the company, and is not normally released due to concerns that it could harm Verizon's competitive position.

**(8) Justification of the period during which the submitting party asserts that material should not be available for public disclosure.**

The material must be kept confidential for an indefinite period. Verizon cannot determine at this time any date by which the information would become "stale" for these purposes.

**(9) Any other information that the party seeking confidential treatment believes may be useful in assessing whether its request for confidentiality should be granted.**

Under applicable Commission and court rulings, this material should be kept confidential and should not be disclosed to the public. Exemption 4 of the Freedom of Information Act shields information from public disclosure that is (1) commercial or financial in nature; (2) obtained from a person outside the government; and (3) privileged or confidential. *See Washington Post Co. v. U.S. Department of Health and Human Services*, 690 F.2d 252 (D.C. Cir. 1982). The attached information clearly meets the first two elements of that test. Section 222 and the Commission's CPNI rules satisfy the third element of this test as concerns customer specific information.

With respect to billing practices and financial information, information is considered to be confidential if disclosure is likely to (1) impair the government's ability to obtain necessary information in the future, or (2) harm substantially the competitive position of the person from whom the information was obtained. *See National Parks and Conservation Ass'n v. Morton*, 498 F.2d 765, 770 (D.C. Cir. 1974). The information market proprietary clearly meets this element. This information is kept confidential within the company, and is not normally released due to concerns that it could harm Verizon's competitive position.

### **Protective Order Requested**

If the Commission does not grant complete confidentiality to the information, it should permit disclosure of the information, other than to a Commission employee working directly on the matter, only if those persons sign the Commission's standard protective agreement. In addition, please provide me sufficient advance notice prior to any such disclosure to allow Verizon to pursue appropriate remedies to preserve the confidentiality of the information.

Sincerely



Ann H. Rakestraw

Attachments